



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF FINANCE & ADMINISTRATION

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 10, 2005

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GOETZ: TJC FLIP-FLOPS ON 'NO LAWSUITS' ASSURANCE

NASHVILLE, Tenn. - The latest court action from TennCare legal advocates could mean the State is once again headed back to federal court as legal advocates continue to attempt to stall reform efforts in the TennCare program. That statement was issued today from Finance and Administration Commissioner Dave Goetz in response to a recent court filing by Tennessee Justice Center attorneys.

"We have spent the better part of the past year gaining the legal and federal authority to get control of this program, as the public demands that the state live within its means," Goetz said. "It is regretful, but not entirely surprising, that the TJC has filed this motion, which is the latest step in their efforts to stop the disenrollment through the courts."

Goetz added that the state has taken extraordinary efforts to guard against this type of litigation, including obtaining federal approval in advance of any program and eligibility changes. He also expressed sadness that these groups have fought every effort to cooperate with the state and other health care providers to deal with the fiscal crisis caused by TennCare.

"The Governor proposed a common sense plan to reform TennCare that would have kept everyone on the program, but legal advocates tried to block every move in the courts. Because of the excessive lawsuits and legal claims from these 'advocates,' we have been forced to take action that no one wanted. The state has spent millions of dollars beating these cases and these lawsuits have diverted attention away from the real public health sector issues we're trying to address."

TJC officials had previously assured the State they were not preparing to sue the state. In a September 7 email, TJC's communications staffer told TennCare officials, "...[the State] believes the TJC is preparing to sue the state on behalf of TennCare disenrollees. I wanted to let you know that no such litigation is being planned here."

State attorneys have been successful in proving the State's position to the courts, obtaining favorable previous rulings throughout the TennCare reform process, including:

- April 2005: the US 6th Circuit Court of Appeals upheld the right of the State of Tennessee to disenroll non-Medicaid eligible adults from the TennCare program and instructed a lower court to focus hearings solely on the procedural issues surrounding disenrollment.
- July 2005: U.S. District Judge John Nixon issued rulings allowing the State to move forward with changes to the TennCare program, while maintaining health care coverage for 97,000 TennCare enrollees.

State attorneys are still reviewing the advocates' 80-page filing, made November 8 in the U.S. District Court Middle Tennessee Division in Nashville. Attorneys plan to file a legal response soon. The filing was made in the settlement agreement and long-standing lawsuit known as "Rosen v. Tennessee," which deals with the process of eligibility determination for TennCare. That process has been approved by the courts and the federal government.

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